

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Marathon Oil Permian LLC **OGRID Number:** 372098
Well Name: Mazer Rackham 20 WA Fed Com 1H; WB Fed Com 4H; SB Fed Com 5H; WA Fed Com 6H **API:** 30-015-46146; 30-015-46149; 30-015-45653; 30-015-46147
Pool: Purple Sage; Wolfcamp & Wildcat G-04 S262908A; Bone Spring **Pool Code:** 98220 & 97801

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

1) TYPE OF APPLICATION: Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC ☐ CTB ☒ PLC ☐ PC ☐ OLS ☐ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

2) NOTIFICATION REQUIRED TO: Check those which apply.

- A. ☐ Offset operators or lease holders
 B. ☐ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☒ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☒ For all of the above, proof of notification or publication is attached, and/or,
 H. ☐ No notice required

FOR OCD ONLY

- ☐ Notice Complete
☐ Application Content Complete

3) CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Adrian Covarrubias

Print or Type Name

Signature

06/14/2022

Date

713-296-3368

Phone Number

acovarrubias@marathonoil.com

e-mail Address

Office
 District I – (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II – (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III – (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV – (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM
 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. Multiple
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Mazer Rakcham 20 Fed Com
8. Well Number Multiple
9. OGRID Number 372098
10. Pool name or Wildcat Multiple
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator Marathon Oil Permian LLC	
3. Address of Operator 5555 San Felipe St., Houston, TX 77056	
4. Well Location Unit Letter _____ : _____ feet from the _____ line and _____ feet from the _____ line Section 20 Township 26S Range 29E NMPM County EDDY	
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
DOWNHOLE COMMINGLE <input type="checkbox"/>	P AND A <input type="checkbox"/>
CLOSED-LOOP SYSTEM <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>
OTHER: SURFACE COMMINGLE <input checked="" type="checkbox"/>	OTHER: <input type="checkbox"/>

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Marathon Oil Permian LLC is requesting to Surface Commingle Production from the following wells:

Name	API	CA Lease	Pool
Mazer Rackham 20 WA Fed Com 1H	30-015-46146	NMNM138836	Purple Sage; Wolfcamp
Mazer Rackham 20 WB Fed Com 4H	30-015-46149	NMNM138836	Purple Sage; Wolfcamp
Mazer Rackham 20 SB Fed Com 5H	30-015-45653	Pending (Bone Spring E2-Sec20)	Wildcat G-04 S262908A; Bone Spring
Mazer Rackham 20 WA Fed Com 6H	30-015-46147	NMNM138836	Purple Sage; Wolfcamp

Please see attached.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Adrian Covarrubias TITLE Regulatory Professional DATE 06/14/2022

Type or print name Adrian Covarrubias E-mail address: acovarrubias@marathonoil.com PHONE: 713-296-3368

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

SURFACE COMMINGLING
MAZER RACKHMA 20 FED COM 1H 4H 5H 6H

Marathon Oil Permian LLC is requesting to surface commingle the following wells as per 19.15.12.10(B) NMAC for Commingling with Identical Ownership.

Well Name	API	CA Lease	Pool
Mazer Rackham 20 WA Fed Com 1H	30-015-46146	NMNM143815	Purple Sage; Wolfcamp
Mazer Rackham 20 WB Fed Com 4H	30-015-46149	NMNM143815	Purple Sage; Wolfcamp
Mazer Rackham 20 SB Fed Com 5H	30-015-45653	Pending Approval E2 Sec 6-T26S-R29E	Wildcat G-04 S262908A; Bone Spring
Mazer Rackham 20 WA Fed Com 6H	30-015-46147	NMNM143815	Purple Sage; Wolfcamp

As per regulation, no notice to interest owners or form C-107B is required for commingling with identical ownership.

The approval of this commingle will not affect the value of oil and gas.

All wells are located at a common pad located in NENE-Sec6-T-26S-R29E and produced oil, gas, and water sent to Central Tank Battery located on-lease at SENE-Sec6-T26S-R29E.

Marathon Oil Permian LLC will be using the metering method to measure and allocate production.

Future additions:

Pursuant to Statewide rule 19.15.12.10(C)(4)(g) NMAC, Marathon Oil Permian LLC requests option to include additional pools or lessees, and add additional wells contained within the spacing units identified and approved in this application by filing a Subsequent Sundry Report to the Bureau of Land Management and a C-103Z with a C-102 attached to the NMOCD.

Attachments:

- Identical Ownership Statement
- Notification to BLM
- Lease Map
- Facility Diagram
- C-102 Plats

Chase Rice
Staff Land Professional



Marathon Oil Permian LLC
990 Town & Country Blvd.
Houston, TX 77024
Telephone: 713.296.3055
cfrice@marathonoil.com

June 16, 2022

Mr. Dean McClure
Petroleum Specialist
New Mexico Oil Conservation Division
1220 South Francis Drive
Santa Fe, NM 87505

Re: Marathon Oil Permian LLC - Surface Commingling
Mazer Rackham 1H, 4H, 5H, and 6H
E/2 of Section 20, T26S-R29E
Eddy County, New Mexico

Mr. McClure,

Marathon Oil Permian LLC ("Marathon") has filed the attached application with the New Mexico Oil Conservation Division ("Division") for administrative approval to surface lease commingle production according to the provisions of NMAC 19.15.12.10.B from the Mazer Rackham 20 WA Federal Com 1H (API# 30-015-46146), Mazer Rackham 20 WB Federal Com 4H (API# 30-015-46149, Mazer Rackham 20 SB Federal Com 5H (API# 30-015-45653) and the Mazer Rackham 20 Federal Com 6H (API# 30-015-46147) wells located in the E/2 of Section 20, T26S-R29E Eddy County, New Mexico. There was no compulsory pooling completed for these wells. The working, royalty and overriding royalty interests and owners in these 4 wells are identical.

Should you have any questions please do not hesitate to contact me at 713-296-3055 or by email at cfrice@marathonoil.com.

Sincerely,

Chase Rice

Chase Rice
Staff Land Professional

Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
MAZER	5H	3001545653	NMNM138836	NMNM138836	MARATHON OIL
MAZER	1H	3001546146	NMNM138836	NMNM138836	MARATHON OIL
MAZER	6H	3001546147	NMNM138836	NMNM138836	MARATHON OIL
MAZER	4H	3001546149	NMNM138836	NMNM138836	MARATHON OIL

Notice of Intent

Sundry ID: 2677206

Type of Submission: Notice of Intent

Type of Action: Commingling (Surface)

Date Sundry Submitted: 06/16/2022

Time Sundry Submitted: 08:05

Date proposed operation will begin: 07/12/2022

Procedure Description: Marathon Oil Permian is requesting approval to commingle oil and gas production from the above mentioned wells as per 43 CFR 3173.14(a)(iii). Application to commingle has also been submitted to the NMOCD. Please see attached.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Submittal_Packet_BLM___Mazer_Rackham_1H_4H_5H_6H___Commingling_20220616080441.pdf

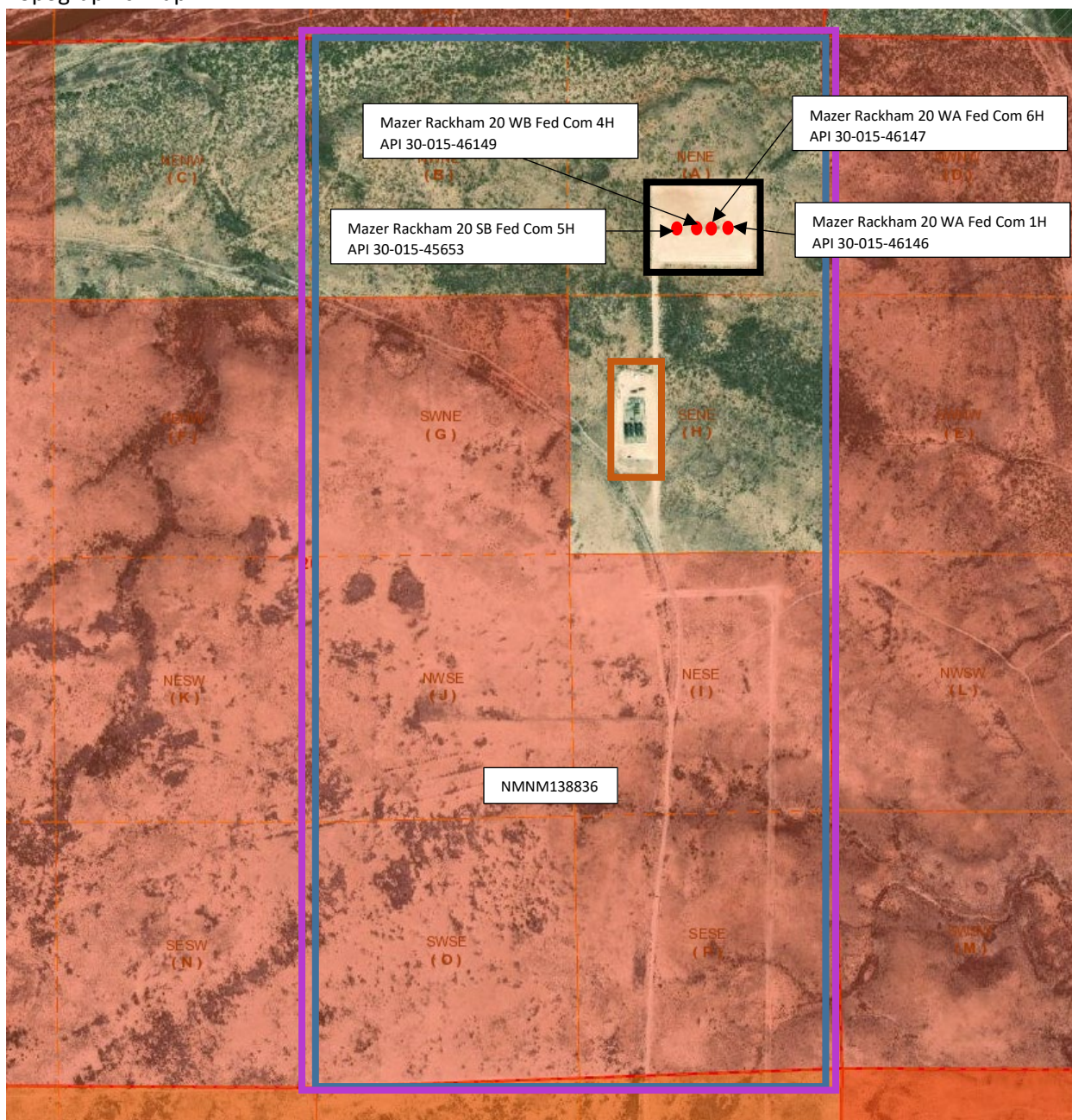
Operator

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: ADRIAN COVARRUBIAS**Signed on:** JUN 16, 2022 08:04 AM**Name:** MARATHON OIL PERMIAN LLC**Title:** regulatory Compliance Representative**Street Address:** 990 TOWN & COUNTRY BLVD**City:** HOUSTON**State:** TX**Phone:** (713) 296-3368**Email address:** acovarrubias@marathonoil.com**Field****Representative Name:****Street Address:****City:****State:****Zip:****Phone:****Email address:**

SURFACE COMMINGLING
MAZER RACKHMA 20 FED COM 1H 4H 5H 6H

1) Topographic Map



CA NMNM143815 (Wolfcamp)



CA Pending Approval (Bone Spring)



Mazer Rakcham 20 Fed Com 1H 4H 5H 6H Well Pad



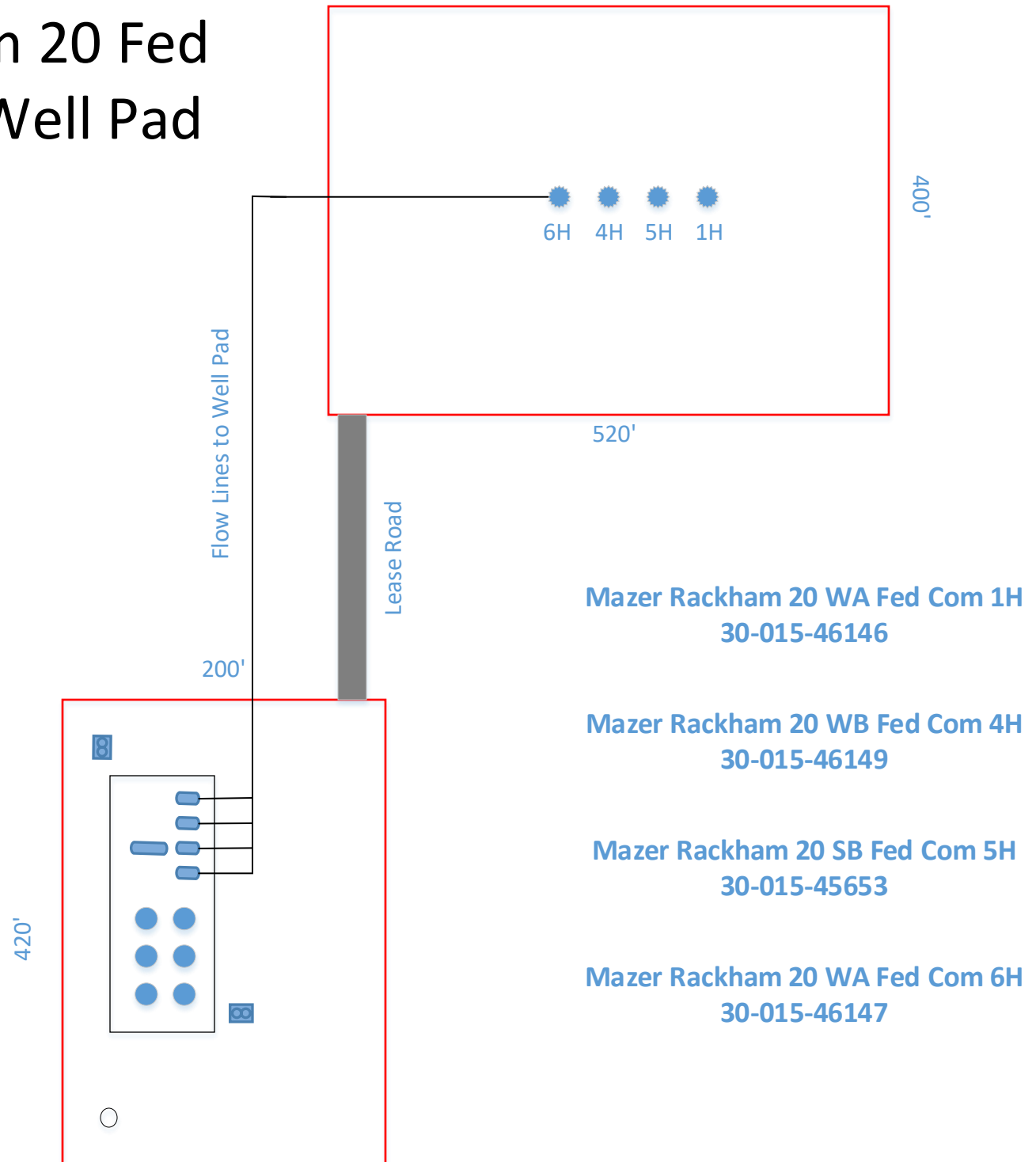
Mazer Rakcham 20 Fed Com 1H 4H 5H 6H CTB



Please see next page for closer look of well pad with Proposed FMPs

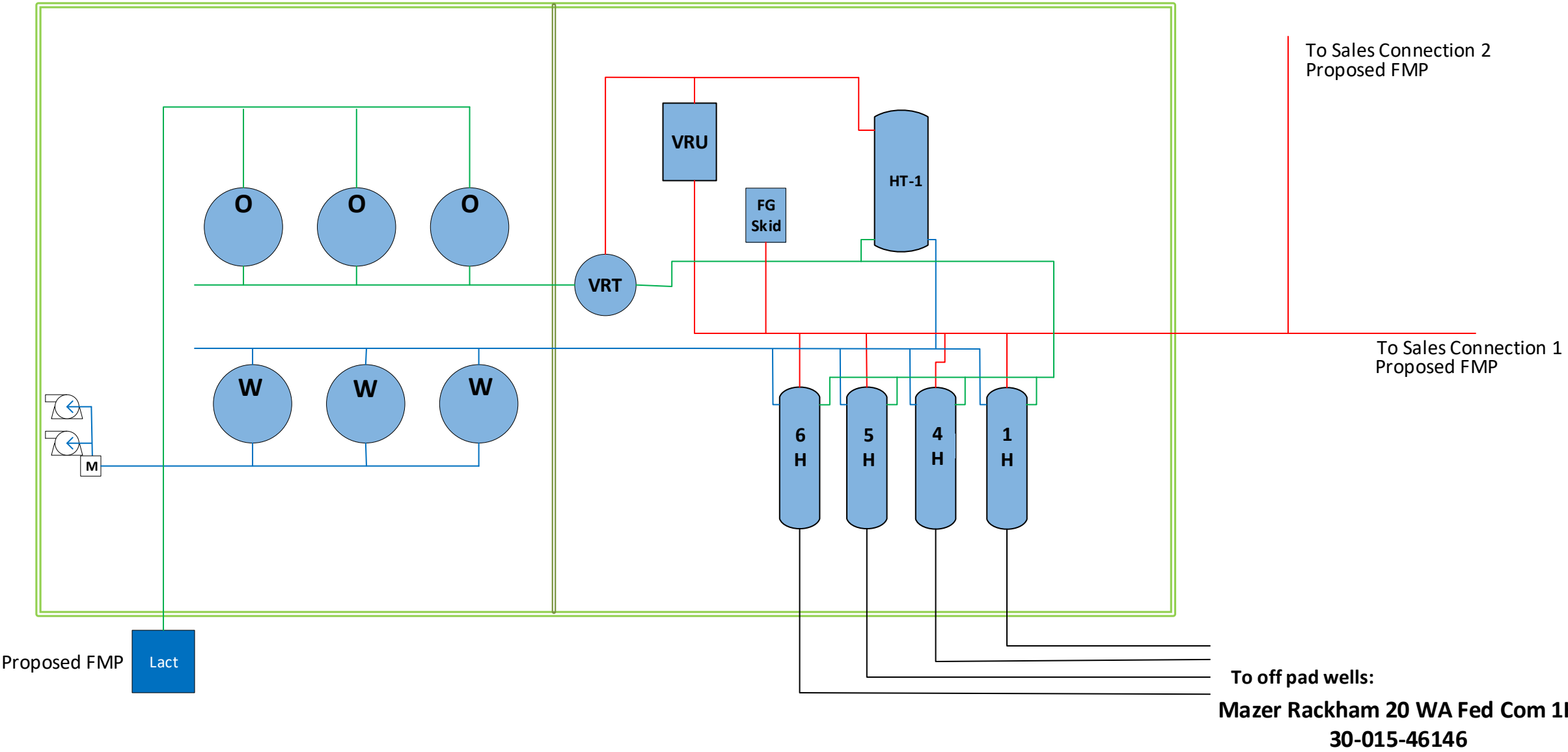
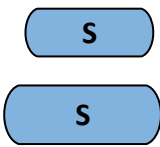
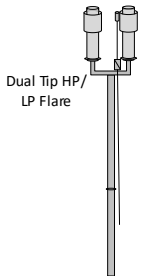
Wells ●

Mazer Rackham 20 Fed Com CTB and Well Pad





Mazer Rackham 20 Fed 1H 4H 5H 6H CTB



LEGEND

- W = Water Storage Tank
- O = Oil Storage Tank
- GB = Gun Barrel Tank
- S = Separator
- HT = Heater Treater
- ★ = Well Head
- G = Generator
- P = Pump

1625 N. French Dr., Hobbs, NM 88240
 Phone: (575) 393-6161 Fax: (575) 393-0720
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State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Revised August 1, 2011
 Submit one copy to appropriate
 District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION AS-DRILLED PLAT

¹ API Number 30-015-45653	² Pool Code 97801	³ Pool Name WILDCAT G-04 S262908A;BONE SPRING
⁴ Property Code 326255	Property Name MAZER RACKHAM 20 SB FED COM	
⁷ OGRID No. 372098	⁸ Operator Name MARATHON OIL PERMIAN LLC.	⁶ Well Number 5H
		⁹ Elevation 2872'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	20	26S	29E		966	NORTH	570	EAST	EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	20	26S	29E		160	SOUTH	995	EAST	EDDY
¹² Dedicated Acres 360.0	¹³ Joint or Infill	¹⁴ Consolidation Code		¹⁵ Order No.					

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>CORNER COORDINATES NAD 83, SPCS NM EAST A - X: 645175.01' / Y: 376837.52' B - X: 645193.17' / Y: 374202.36' C - X: 645293.57' / Y: 371608.28' D - X: 642590.08' / Y: 371460.95' E - X: 642562.49' / Y: 374173.92' F - X: 642535.61' / Y: 376817.53'</p> <p>CORNER COORDINATES NAD 27, SPCS NM EAST A - X: 603989.47' / Y: 376779.95' B - X: 604007.56' / Y: 374144.84' C - X: 604107.90' / Y: 371550.82' D - X: 601404.47' / Y: 371403.51' E - X: 601376.95' / Y: 374116.43' F - X: 601350.13' / Y: 376759.99'</p> <p>SURFACE HOLE LOCATION 966' FSL 570' FEL, SECTION 20 NAD 83, SPCS NM EAST X: 644611.28' / Y: 375867.64' LAT: 32.03290220N / LON: 104.00006103W NAD 27, SPCS NM EAST X: 603425.73' / Y: 375810.09' LAT: 32.03277720N / LON: 103.99957827W</p> <p>KICK OFF POINT/FTP 152' FNL 668' FEL, SECTION 20 7748' MEASURED DEPTH IN FEET NAD 83, SPCS NM EAST X: 644507.80' / Y: 376680.05' LAT: 32.03513633N / LON: 104.00038691W NAD 27, SPCS NM EAST X: 603322.26' / Y: 376622.48' LAT: 32.03501135N / LON: 103.99990406W</p> <p>LAST TAKE POINT/BOTTOM HOLE LOCATION 160' FSL 995' FEL, SECTION 20 13276' MEASURED DEPTH IN FEET NAD 83, SPCS NM EAST X: 644294.08' / Y: 371714.03' LAT: 32.02148682N / LON: 104.00112589W NAD 27, SPCS NM EAST X: 603108.43' / Y: 371656.56' LAT: 32.02136169N / LON: 104.00064347W</p> <p>SHEET 1 OF 1 JOB No. R3893_017 REV 0 WM 4/27/2022</p>	<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>[Signature]</i> 06/14/2022 Signature Date Adrian Covarrubias Printed Name</p> <p>E-mail Address</p> <p>¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well surface location shown on this plat was plotted from field notes of the as-staked surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Data used for underground measurements were provided by others for reference only and does not constitute field measurements performed by R Squared Global.</p> <p>MAY 6, 2022 Date of Survey</p> <p><i>[Signature]</i> Signature and Seal of Professional Surveyor</p> <p>DAVID W. MYERS 11403 Certificate Number</p>
--	---

Distances/areas relative to NAD 83 Combined Scale Factor: 0.99978647 Convergence Angle: 00°10'35.39608"

☐ Horizontal Spacing Unit

1625 N. French Dr., Hobbs, NM 88240
 Phone: (575) 393-6161 Fax: (575) 393-0720
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 Phone: (575) 748-1283 Fax: (575) 748-9720
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Revised August 1, 2011
 Submit one copy to appropriate
 District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION AS-DRILLED PLAT

¹ API Number 30-015-46147	² Pool Code 98220	³ Pool Name PURPLE SAGE; WOLFCAMP (GAS)
⁴ Property Code 325772	Property Name MAZER RACKHAM 20 WA FEDERAL COM	⁶ Well Number 6H
⁷ OGRID No. 372098	⁸ Operator Name MARATHON OIL PERMIAN LLC.	⁹ Elevation 2872'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	20	26S	29E		965	NORTH	630	EAST	EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	20	26S	29E		350	SOUTH	1001	EAST	EDDY
¹² Dedicated Acres 320.0	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>[Signature]</i> 06/14/2022 Signature Date Adrian Covarrubias Printed Name</p> <p>E-mail Address</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well surface location shown on this plat was plotted from field notes of the as-staked surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Data used for underground measurements were provided by others for reference only and does not constitute field measurements performed by R-Squared Global.</p> <p>MAY 25, 2022 Date of Survey</p> <p><i>[Signature]</i> Signature and Seal of Professional Surveyor</p> <p><i>[Seal: DAVID W. MYERS, NEW MEXICO, PROFESSIONAL SURVEYOR, 11403]</i></p> <p>Certificate Number DAVID W. MYERS 11403</p>
	<p>CORNER COORDINATES NAD 83, SPCS NM EAST A - X: 642562.49' / Y: 374173.92' B - X: 642535.61' / Y: 376817.53' C - X: 645175.01' / Y: 376837.52' D - X: 645193.17' / Y: 374202.36' E - X: 645293.57' / Y: 371608.28' F - X: 642590.08' / Y: 371460.95'</p> <p>CORNER COORDINATES NAD 27, SPCS NM EAST A - X: 601376.95' / Y: 374116.43' B - X: 601350.13' / Y: 376759.99' C - X: 603989.47' / Y: 376779.95' D - X: 604007.56' / Y: 374144.84' E - X: 604107.90' / Y: 371550.82' F - X: 601404.47' / Y: 371403.51'</p>
	<p>SURFACE HOLE LOCATION 965' FNL 630' FEL, SECTION 20 0' MEASURED DEPTH IN FEET NAD 83, SPCS NM EAST X: 644551.21' / Y: 375867.76' LAT: 32.03290302N / LON: 104.00025488W NAD 27, SPCS NM EAST X: 603365.66' / Y: 375810.20' LAT: 32.03277802N / LON: 103.9997211W</p> <p>KICK OFF POINT 88' FNL 1014' FEL, SECTION 20 9244' MEASURED DEPTH IN FEET NAD 83, SPCS NM EAST X: 644161.63' / Y: 376741.92' LAT: 32.03530933N / LON: 104.00150340W NAD 27, SPCS NM EAST X: 602976.11' / Y: 376684.35' LAT: 32.03518437N / LON: 104.00102049W</p> <p>FIRST TAKE POINT 237' FNL 989' FEL, SECTION 20 9767' MEASURED DEPTH IN FEET NAD 83, SPCS NM EAST X: 644187.42' / Y: 376592.86' LAT: 32.03489936N / LON: 104.00142167W NAD 27, SPCS NM EAST X: 603001.89' / Y: 376535.29' LAT: 32.03477439N / LON: 104.00093878W</p> <p>LAST TAKE POINT/BOTTOM HOLE LOCATION 350' FSL 1001' FEL, SECTION 20 14513' MEASURED DEPTH IN FEET NAD 83, SPCS NM EAST X: 644280.33' / Y: 371903.55' LAT: 32.02200791N / LON: 104.00116835W NAD 27, SPCS NM EAST X: 603094.69' / Y: 371846.08' LAT: 32.02188279N / LON: 104.00068591W</p>

Distances/areas relative to NAD 83 Combined Scale Factor: 0.99978647 Convergence Angle: 00°10'35.39608"

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION AS-DRILLED PLAT

¹ API Number 30-015-46149	² Pool Code 98220	³ Pool Name PURPLE SAGE; WOLFCAMP (GAS)
⁴ Property Code 325773	Property Name MAZER RACKHAM 20 WB FED COM	
⁷ OGRID No. 372098	⁸ Operator Name MARATHON OIL PERMIAN LLC	⁶ Well Number 4H
		⁹ Elevation 2872'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	20	26S	29E		965	NORTH	600	EAST	EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	20	26S	29E		284	SOUTH	662	EAST	EDDY
¹² Dedicated Acres 320.0	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>CORNER COORDINATES NAD 83, SPCS NM EAST A - X: 642562.49' / Y: 374173.92' B - X: 642535.61' / Y: 376817.53' C - X: 645175.01' / Y: 376837.52' D - X: 645193.17' / Y: 374202.36' E - X: 645293.57' / Y: 371608.28' F - X: 642590.08' / Y: 371460.95'</p> <p>CORNER COORDINATES NAD 27, SPCS NM EAST A - X: 601376.95' / Y: 374116.43' B - X: 601350.13' / Y: 376759.99' C - X: 603989.47' / Y: 376779.95' D - X: 604007.56' / Y: 374144.84' E - X: 604107.90' / Y: 371550.82' F - X: 601404.47' / Y: 371403.51'</p> <p>SURFACE HOLE LOCATION 965' FNL 600' FEL, SECTION 20 0' MEASURED DEPTH IN FEET NAD 83, SPCS NM EAST X: 644581.28' / Y: 375867.74' LAT: 32.03290271N / LON: 104.00015785W NAD 27, SPCS NM EAST X: 603395.73' / Y: 375810.18' LAT: 32.03277771N / LON: 103.99967509W</p> <p>KICK OFF POINT/FIRST TAKE POINT 330' FNL 553' FEL, SECTION 20 9922' MEASURED DEPTH IN FEET NAD 83, SPCS NM EAST X: 644623.95' / Y: 376503.34' LAT: 32.03464959N / LON: 104.00001382W NAD 27, SPCS NM EAST X: 603438.41' / Y: 376445.78' LAT: 32.03452461N / LON: 103.99958101W</p> <p>LAST TAKE POINT 330' FSL 660' FEL, SECTION 20 14596' MEASURED DEPTH IN FEET NAD 83, SPCS NM EAST X: 644621.53' / Y: 371902.20' LAT: 32.02200133N / LON: 104.00006744W NAD 27, SPCS NM EAST X: 603435.88' / Y: 371844.73' LAT: 32.02187620N / LON: 103.99958505W</p> <p>BOTTOM HOLE LOCATION 284' FSL 662' FEL, SECTION 20 14642' MEASURED DEPTH IN FEET NAD 83, SPCS NM EAST X: 644621.16' / Y: 371856.20' LAT: 32.02187489N / LON: 104.00006909W NAD 27, SPCS NM EAST X: 603435.51' / Y: 371798.73' LAT: 32.02174975N / LON: 103.99958671W</p> <p>SHEET 1 OF 1 JOB No. R3893_025 REV 0 WM 6/13/2022</p>	<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <i>Adrian Covarrubias</i> Date: 06/14/2022</p> <p>Printed Name: Adrian Covarrubias</p> <p>E-mail Address:</p> <p>¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well surface location shown on this plat was plotted from field notes of the as-staked surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Data used for underground measurements were provided by others for reference only and does not constitute field measurements performed by R-Squared Global.</p> <p>Date of Survey:</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number:</p> <p>PRELIMINARY DOCUMENT IS NOT TO BE USED FOR CONSTRUCTION, BIDDING, RECORDATION, CONVEYANCE, SALE OF THE LANDS FOR THE ISSUANCE OF A PERMIT.</p>
--	--

Distances/areas relative to NAD 83 Combined Scale Factor: 0.99978647 Convergence Angle: 00°10'35.39608"

1625 N. French Dr., Hobbs, NM 88240
 Phone: (575) 393-6161 Fax: (575) 393-0720
District II
 811 S. First St., Artesia, NM 88210
 Phone: (505) 748-1283 Fax: (505) 334-6170
District III
 1000 Rio Brazos Road, Aztec, NM 87410
 Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505
 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Revised August 1, 2011
 Submit one copy to appropriate
 District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION AS-DRILLED PLAT

¹ API Number 30-015-46146	² Pool Code 98220	³ Pool Name PURPLE SAGE; WOLFCAMP (GAS)
⁴ Property Code 325772	Property Name MAZER RACKHAM 20 WA FEDERAL COM	⁶ Well Number 1H
⁷ OGRID No. 372098	⁸ Operator Name MARATHON OIL PERMIAN LLC	⁹ Elevation 2872'

¹⁰ Surface Location

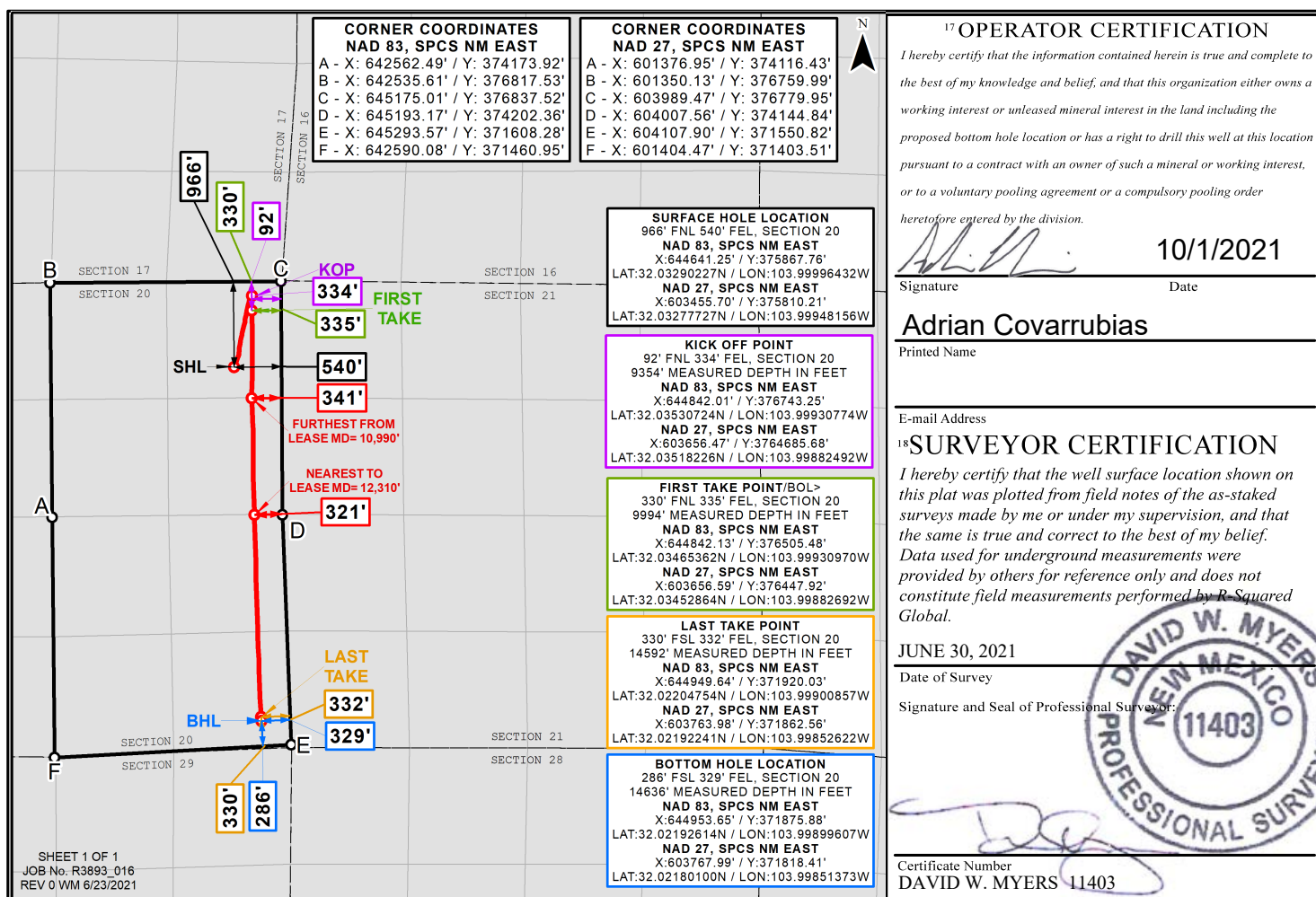
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	20	26S	29E		966	NORTH	540	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	20	26S	29E		286	SOUTH	329	EAST	EDDY

¹² Dedicated Acres 320.0	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
---	-------------------------------	----------------------------------	-------------------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Distances/areas relative to NAD 83 Combined Scale Factor: 0.99978647 Convergence Angle: 00°10'32.39608"

☐ Horizontal Spacing Unit

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of April, 2022, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 26 South, Range 29 East, N.M.P.M., Eddy County, New Mexico:
Section 20: E/2

Containing 320.00 acres, more or less, and this agreement shall include only the Bone Springs Formation underlying said lands and the crude oil and associated natural gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. The Operator of the communitized area shall be Marathon Oil Permian LLC, 990 Town & Country Blvd., Houston, TX, 77024. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is April 1, 2022, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

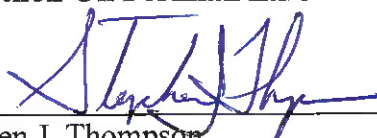
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Marathon Oil Permian LLC

5-10-2022

Date

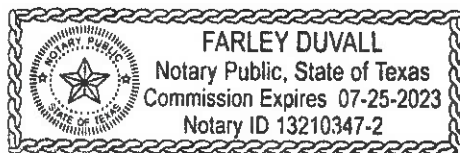
By: 
 Stephen J. Thompson
 Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF TEXAS)
) ss.
 COUNTY OF HARRIS)

On this 10th day of May, 2022, before me, a Notary Public for the State of Texas, personally appeared Stephen J. Thompson, known to me to be the Attorney-in-fact for Marathon Oil Permian LLC, a Delaware limited liability company, the company that executed the foregoing instrument and acknowledged to me such company executed the same.

(SEAL)



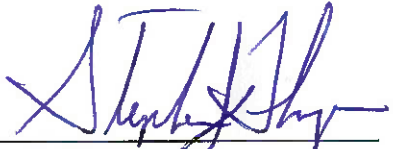
My Commission Expires


 Notary Public

**WORKING INTEREST OWNER
AND/OR LESSEES OF RECORD**

I, the undersigned, hereby certify, on behalf of **Marathon Oil Permian LLC**, Operator of this Communitization Agreement, that all working interest owners (i.e., lessees of record and operating rights owners) shown on Exhibit B attached to this Agreement are, to the best of my knowledge, the working interest owners of the leases subject to this Agreement, and that the written consents of all of the named owners have been obtained and will be made available to the BLM immediately upon request.

5-10-2022
Date

By: 
Stephen J. Thompson
Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF TEXAS)
) ss.
COUNTY OF HARRIS)

On this 10th day of May, 2022, before me, a Notary Public for the State of Texas, personally appeared Stephen J. Thompson, known to me to be the Attorney-in-fact for Marathon Oil Permian LLC, the company that executed the foregoing instrument and acknowledged to me such company executed the same.

(SEAL)

My Commission Expires


Notary Public

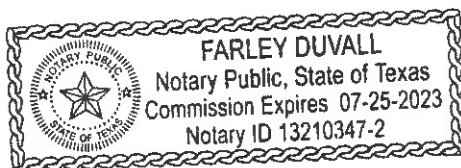


EXHIBIT "A"

Attached to the Communitization Agreement dated April 1st, 2022.

Plat of communitized area covering 320.00 acres in Township 26 South, Range 29 East,
N.M.P.M., Eddy County, New Mexico
Section 20: E/2

WELL NAME/ NO.

- Mazer Rackham 20 SB Federal Com 5H (30-015-45653)

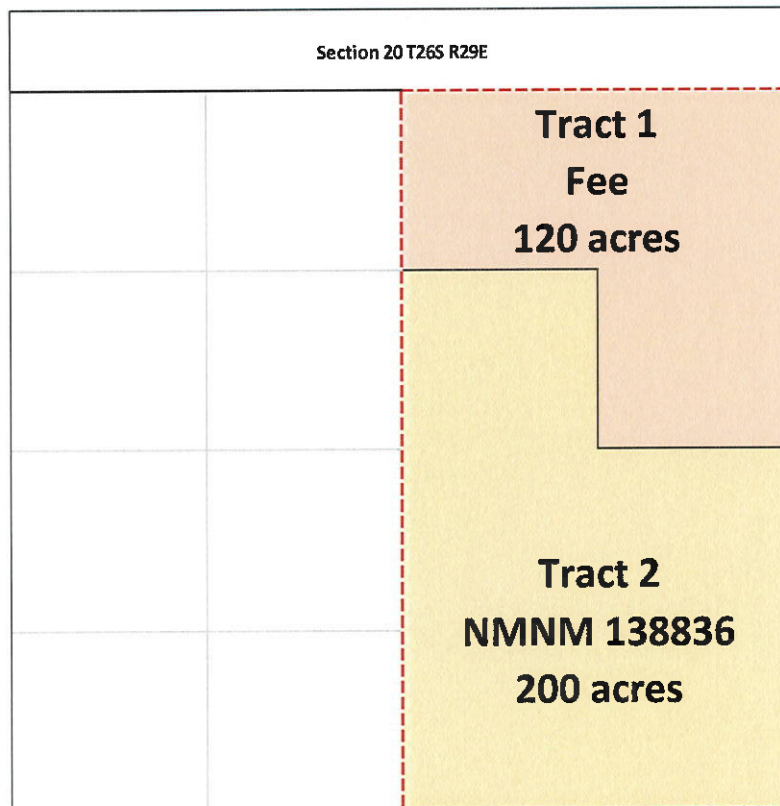


EXHIBIT "B"

Attached to the Communitization Agreement dated April 1st, 2022 embracing the E/2 of Section 20, Township 26 South, Range 29 East, N.M.P.M., Eddy County, New Mexico

OPERATOR OF COMMUNITIZED AREA:

Marathon Oil Permian LLC

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Description of Land Committed:	<u>Township 26 South, Range 29 East, N.M.P.M.</u> Section 20: NWNE, E2NE Eddy County, New Mexico
Number of Acres:	120.00
Authority for Pooling:	Granted via Lease, Designation of Pooled Unit, and/or Compulsory Pooling Order
Name of Working Interest Owners:	Marathon Oil Permian LLC.....100.00%
Name of ORRI Owners:	NONE

Tract No. 2

Lease Serial Number:	NMNM 138836
Lease Date:	October 22, 2018
Recorded:	N/A
Lessor:	United States of American
Original Lessee:	Marathon Oil Permian LLC
Present Lessee:	Marathon Oil Permian LLC - 100.00%
Description of Land Committed:	<u>Township 26 South, Range 29 East, N.M.P.M.</u> Section 20: SW/NE, SE Eddy County, New Mexico
Number of Net Acres:	200.00
Royalty Rate:	12.5%
Name of Working Interest Owners:	Marathon Oil Permian LLC.....100.00%
Name and Percent of ORRI Owners:	NONE

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	<u>120.00</u>	<u>37.50%</u>
2	<u>200.00</u>	<u>62.50%</u>
Total	320.00	100.0000%

From: [Engineer, OCD, EMNRD](#)
To: [Covarrubias, Adrian \(MRO\)](#)
Cc: [McClure, Dean, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@nwbyram.com](#); [Glover, James](#); [Paradis, Kyle O](#); [Walls, Christopher](#)
Subject: Approved Administrative Order PLC-838
Date: Wednesday, June 22, 2022 1:04:01 PM
Attachments: [PLC838 Order.pdf](#)

NMOCD has issued Administrative Order PLC-838 which authorizes Marathon Oil Permian, LLC (372098) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-46146	Mazer Rackham 20 WA Federal Com #1H	E/2	20-26S-29E	98220
30-015-46149	Mazer Rackham 20 WB Federal Com #4H	E/2	20-26S-29E	98220
30-015-45653	Mazer Rackham 20 SB Federal Com #5H	E/2	20-26S-29E	97801
30-015-46147	Mazer Rackham 20 WA Federal Com #6H	E/2	20-26S-29E	98220

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

From: [Covarrubias, Adrian \(MRO\)](#)
To: [McClure, Dean, EMNRD](#)
Subject: [EXTERNAL] RE: surface commingling application PLC-838
Date: Monday, June 20, 2022 2:15:10 PM
Attachments: [image001.png](#)
[BLM Appr SN Mazer Rackham 20 SB Fed Com 5H FTP-LTP-DA Chng 12.16.2021.pdf](#)

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Hi Dean,

Here is the information you requested for:

1). I can confirm that the commingling of the production will not decrease it's value.
In the submittal I put a statement that reads **"The approval of this commingle will not affect the value of oil and gas."** Does this not cover the statement? If not, what verbiage should I use in the application to cover it?

2) Estimated BTU and Gravity Values for the production of the Pools to be commingled:

Purple Sage; Wolfcamp:	BTU: 1425	API Gravity: 48
Wildcat G-04 S262908A; Bone Spring:	BTU: 1475	API Gravity: 46

3) Please see attached approved sundry from the BLM for APD Change.

This has been submitted in the NMOCD Permitting under C-103A – Sundry ID# 118807

Please let me know if you have any other questions or comments on this one.

Regards,

Adrian Covarrubias

Regulatory Professional | Permian Asset

Marathon Oil Company | 990 Town & Country Blvd. Houston, TX 77024

O: 713.296.3368 | M: 713.962.7591



From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Friday, June 17, 2022 11:50 AM
To: Covarrubias, Adrian (MRO) <acovarrubias@marathonoil.com>
Subject: [External] surface commingling application PLC-838

Beware of links/attachments.

Mr. Covarrubias,

I am reviewing surface commingling application PLC-838 which involves a commingling project that includes the Mazer Rakcham 20 Federal CTB and is operated by Marathon Oil Permian, LLC (372098).

Please confirm that the commingling of the production will not decrease its value.

Please provide known or estimated BTU and gravity values for the production from the pools in this commingling project.

It appears that the Mazer Rackham 20 SB Federal Com #5H (30-015-45653) is dedicated to the E/2 E/2 of section rather than the E/2 of section 20 as indicated in this application. What HSU does Marathon intend for this well?

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY MARATHON OIL PERMIAN, LLC**

ORDER NO. PLC-838

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Marathon Oil Permian, LLC (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
7. Applicant in the notice for the Application stated that it sought authorization to add additional pools, leases, and wells and identified the parameters to make such additions.
8. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.
9. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying

the acreage of each lease to be consolidated into a single pooled area ("Pooled Area"), as described in Exhibit B.

CONCLUSIONS OF LAW

10. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
11. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
12. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
13. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
14. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
15. Applicant did not give adequate notice that it sought authorization to add pools, leases, or wells as required by 19.15.12.10.C.(4)(g) NMAC.
16. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A at a central tank battery described in Exhibit A.

2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a Form C-103 to OCD with a copy of the decision and a

description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved Agreement(s). If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

3. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
4. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.
5. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
6. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
8. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or

well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.

9. Applicant's request for authorization to add pools, leases, and wells prospectively pursuant to 19.15.12.10.C.(4)(g) NMAC is denied.
10. If a well is not included in Exhibit A but produces from a pool or lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
11. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
12. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
13. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE E. SANDOVAL
DIRECTOR**

DATE: 6/22/2022

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **PLC-838**

Operator: **Marathon Oil Permian, LLC (372098)**

Central Tank Battery: **Mazer Rakcham 20 Federal Com Central Tank Battery**

Central Tank Battery Location: **UL A, Section 6, Township 26 South, Range 29 East**

Gas Title Transfer Meter Location: **UL A, Section 6, Township 26 South, Range 29 East**

Pools

Pool Name	Pool Code
WILDCAT G-04 S262908A; BONE SPRING	97801
PURPLE SAGE; WOLFCAMP (GAS)	98220

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
NMNM 138836	G I J O P	20-26S-29E
Fee	A B H	20-26S-29E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-46146	Mazer Rackham 20 WA Federal Com #1H	E/2	20-26S-29E	98220
30-015-46149	Mazer Rackham 20 WB Federal Com #4H	E/2	20-26S-29E	98220
30-015-45653	Mazer Rackham 20 SB Federal Com #5H	E/2	20-26S-29E	97801
30-015-46147	Mazer Rackham 20 WA Federal Com #6H	E/2	20-26S-29E	98220

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: **PLC-838**
Operator: **Marathon Oil Permian, LLC (372098)**

Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Bone Spring NMNM 105767012	E/2	20-26S-29E	320	A
CA Wolfcamp NMNM 105720003	E/2	20-26S-29E	320	B

Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
NMNM 138836	G I J O P	20-26S-29E	200	A
Fee	A B H	20-26S-29E	120	A
NMNM 138836	G I J O P	20-26S-29E	200	B
Fee	A B H	20-26S-29E	120	B

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 117810

CONDITIONS

Operator: MARATHON OIL PERMIAN LLC 990 Town & Country Blvd. Houston, TX 77024	OGRID: 372098
	Action Number: 117810
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	6/22/2022